



# Department of Justice

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## **WILLIAM HOLLEY SENTENCED TO 48 MONTHS IMPRISONMENT AFTER TAX FRAUD AND WIRE FRAUD CONVICTIONS**

David C. Weiss, United States Attorney for the District of Delaware, announced today that William C. Holley, age 45, of Middletown, was sentenced yesterday afternoon by United States District Court Judge Sue L. Robinson to 48 months of imprisonment and a three-year term of supervised release. In March 2010, Mr. Holley was convicted after a jury trial, along with his co-defendant, Joseph Funk, of one count of conspiracy to defraud the United States and one count of conspiracy to commit wire fraud. Mr. Holley was separately convicted of 12 counts of tax evasion and 3 counts of willful failure to account for and pay over taxes. Mr. Funk was separately convicted of nine counts of ERISA fraud.

Mr. Holley and Mr. Funk were the President and Vice President, respectively, of a Wilmington-based demolition company, Holley Enterprises, Incorporated ("HEI"). From 2004 through May 2007, Mr. Holley engaged in a number of fraud schemes designed to retain monies that were legally owed to the United States government, to his employees and to union benefit plans. During that span, HEI: (1) paid federal payroll taxes on the wages of only three or four workers, when in fact they employed over 50 workers; (2) failed to pay its employees the prevailing wage mandated by State law on public works projects; and (3) failed to pay monies owed to employee benefit plans on behalf of their union-affiliated employees.

In order to cover up these various fraud schemes, Mr. Holley made various false statements to government regulators and directed that HEI create and send to government officials falsified checks, false payroll sheets, false tax documents, false insurance certificates, and false address information for their employees. The combined financial loss to the victims was in excess of \$1 million.

Mr. Funk's sentencing hearing was scheduled for August 24, 2010 before Judge Robinson. However, he did not appear for that sentencing and is currently a fugitive.

U.S. Attorney Weiss stated: "Throughout Delaware, in the construction industry and in other industries, there are many business owners who do the right things – who pay their taxes, who pay

their workers the legally-required wage and who satisfy their commitments to union employees. The defendant in this case not only failed to do these things for years, but he committed various types of fraud and made many false statements in order to cover it up. The Court's sentence makes clear that those who act above the law in running their business will face significant punishment. But this prosecution also sends a message that the federal government will fight to ensure that there is a level playing field – one not infected by fraud – for the law-abiding business owners of our State.”

The case was prosecuted by Assistant U.S. Attorneys Christopher J. Burke and Edmond Falgowski. It was investigated by the IRS – Criminal Investigative Division (“CID”), the Federal Bureau of Investigation (“FBI”) and the U.S. Department of Labor (“USDOL”) Office of Racketeering and Fraud Investigations.

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